

Opening Statement of the  
Honorable Maxine Waters, D-35<sup>th</sup> CA  
Chairwoman, Subcommittee on Housing and Community Opportunity  
*Hearing on “Diversity in the Financial Services Sector”*

Subcommittee on Oversight and Investigations

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10 a.m.

Room 2128 Rayburn House Office Building

Thank you, Mr. Chairman.

In 2006, the Government Accountability Office released a report that did not have good news for women and minorities trying to succeed in the financial services industry. The report found that diversity at management level positions has remained virtually stagnant over 10 years. For example, the percentage of African-Americans in management level positions only rose one percentage point: from 5.6 percent to 6.6 percent. That’s a one percent increase over 10 years! Perhaps even more shocking are the GAO’s

findings that minorities and women have difficulty accessing capital with which to start businesses, including investment firms.

The conclusions of the report are clear: the glass ceiling for women and minorities in financial services is very much a reality.

The financial services industry is an extremely lucrative and important aspect of the American economy. Yet, minorities and women are still struggling to get their foot in the door. The industry accounts for 7 percent of total employment in the United States or 10 million jobs. The average hourly wage for these workers in 2005 was \$17.94 an hour, \$2 more than the total private industry average wage. These are jobs and opportunities that can lift families and individuals from poverty, can improve their living situations, and can assist in building strong, vibrant communities.

The importance of this industry is so critical that the small percentage of women and minorities who are benefiting from it is truly a national disgrace.

It is clear that the financial services industry needs to do more to diversify itself. Last year, I held a brain trust at the Congressional Black Caucus that examined this issue. Many of the participants in that brain trust

felt frustrated and marginalized by the industry's treatment of them. These are talented people who wanted nothing more than a fair opportunity and who found themselves rebuffed.

Obviously, we need better and more effective solutions for increasing the participation of women and minorities in the financial services industry. I am looking forward to hearing the views of today's panel of witnesses as to how we go about removing the glass ceiling.

Thank you, Mr. Chairman. I yield back the balance of my time.